Explaining variation in conspicuous luxury consumption: An individual differences' perspective

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1. Introduction

Acquiring and conspicuously displaying luxuries is an important part of many modern lifestyles in both affluent Western societies and the developing world (Bian & Forsythe, 2010; Ko & Megehee, 2010; Li, Li, & Kambele, 2010; Zhan & Yanqun, 2010). Luxury consumers include a new base of younger, well-paid, and spendthrift people claiming their wealth with the latest Rolex or Prada bag, ... seek a one-off, custom-made product that no one else will ever own” (Reddy, 2008, p. 64). However, for the majority of luxury brands, “the bulk of their business lies in the mass market demand” (Reddy, 2008, p. 67), creating new segments of luxuries and consumers.

Consequently, luxury markets are more heterogeneous than the status-driven literature suggests. This notion has important repercussions for scholars and practitioners. Indeed, research on conspicuous consumption calls for deeper examination of the characteristics of luxury consumers (Wilcox, Kim, & Sen, 2009). Focusing exclusively on status as a motivation for conspicuous luxury consumption leaves out a substantial amount of status-conferring capacity luxury products, including both highly exclusive luxuries (Van Gorp, Hoffmann, & Coste-Maniere, 2012; Woodside, 2012) and widely available, popular luxuries. These are reflective of the variation in buyers’ motives and consumption patterns. Therefore, examining the conspicuous consumption of luxuries more holistically is imperative.

The purpose of this research is to empirically identify and test two types of conspicuous luxury consumption—namely, bandwagon and snob—and the antecedents underlying consumers’ engagement in the bandwagon or snobbery type of luxury buying behavior. In particular, the focus is on luxury consumption not as homogeneous behavior but as multi-dimensional heterogeneous behavior. This study also identifies the individual-level characteristics that encourage these consumption behavior variants. From this standpoint, the study conceptualizes and tests a model of conspicuous luxury consumption on survey data.

The findings reveal that consumption of luxury is a multi-faceted behavior, driven by a wide variety of factors, in addition to the long-established motivation of status attainment. This research makes several contributions. First, by jointly testing two ostensibly antithetical

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facets of conspicuous luxury consumption and their shared antecedents, this study extends the evolving literature on luxury and conspicuous consumption by moving away from a monolithic conception of luxury to include sub-variants. Second, it helps managers develop elaborate strategies to suit each of the snobbish and bandwagon consumption patterns.

2. Theoretical background

Research in economics conceptualizes distinct conspicuous consumption patterns depending on a good’s quantity in a market. Extending Veblen’s (1899) “invidious comparison” and pecuniary emulation, Leibenstein (1950) develops a mathematical explanation for external effects on utility of any general product. Leibenstein (1950, p. 189) defines the bandwagon effect as “the extent to which the demand for a commodity is increased due to the fact that others are also consuming the same commodity” and describes the snob effect as “the extent to which the demand for a consumer’s good is decreased owing to the fact that others are also consuming the same commodity.” Not explicitly mentioned in this definition is that the demand decreases among snobs but not among overall consumers. Leibenstein mentions associative and disassociative motives but does not propose specific antecedents and his analysis does not move beyond the mathematics.

Recent work consists of mostly conceptual or mathematical modeling and focuses on snobbish and conformist patterns in the demand for luxuries (Amaldoss & Jain, 2008; Corneo & Jeanne, 1997; Ireland, 1994). However, none of these studies examine individual consumers and their proclivity toward conspicuous consumption. Thus, although economic models are useful in modeling such phenomena, they offer limited guidance for managers because they do not identify specific, controllable variables related to individual consumers.

Conversely, the consumer behavior literature generally views luxury consumption as a homogeneous behavior where the key driver is the status symbolism. Accordingly, research defines luxuries as goods such that their mere use or display confers prestige or status to the owner apart from any functional utility (Grossman & Shapiro, 1988: Han et al., 2010) and provides insightful analyses of the relationship between status and luxury under several different conditions (Han et al., 2010; Nelissen & Meijers, 2011; Nunes, Drèze, & Han, 2011; Rucker & Galinsky, 2008). Nevertheless, extant research tends both to overemphasize the status antecedent and to assume homogeneity in consumption behavior, thus overlooking theoretical work in economics and empirically oriented market reports that suggest a more complex phenomenon. Enhancing this perspective, the next section presents arguments for re-conceptualizing luxury consumption as a broader behavior.

3. Re-conceptualizing luxury consumption

The traditional luxury sector’s value (i.e., European firms with a long heritage) is $302 billion worldwide and expected to reach $376 billion by 2017 (King, 2013), up from a mere $20 billion in 1985 (Barry, 2010). Including new luxury products from contemporary firms in various premium categories raises the value of the global luxury market to $1 trillion (Truong, 2010). Reflective of this variation is the emergence of conglomerate groups (LVMH, Richemont, PPR, Gucci) with stretched portfolios of different brands in both scarcer and mass-luxury markets. For example, the LVMH group owns exclusive brands, such as Berluti (founded in 1895), and popular ones, such as Mark Jacobs (founded in 1984).

This variation between traditional and new luxuries leads scholars to disagree on a precise typology of luxury brands (Dion & Arnold, 2011). In view of the difficulty in concretely classifying luxuries, the focus here is on how and why people buy and consume different types of luxuries. In addition to their utility in conferring status (Nelissen & Meijers, 2011), some luxury brands are valued for their scarcity, while others are preferred because of their popularity (Amaldoss & Jain, 2008). Going beyond mathematical or product-centered marketing studies, this study analyzes the influence of the self and other antecedent traits on luxury consumption. The main focus is on luxury brands’ capability of creating assimilation to (i.e., bandwagon consumption) or contrast with (i.e., snob consumption) other consumers (Mussweiler, Rüter, & Epstude, 2004). In addition, the study moves from a monolithic conception of luxury to include sub-variants, such as snobbish and conformist consumption patterns. Owing to their highly symbolic properties (Wiedmann, Hennigs, & Siebels, 2009), luxuries can create a sense of affiliation to or differentiation from other consumers. Consumers use the vast assortment of luxury brands on the market in relational patterns, creating assimilation to the kinds of people who display them. A minority uses scarce, new, or unknown luxuries in contrast-creating patterns, creating distance from other consumers.

Individual differences play a major role in determining consumer preferences for relational versus contrast-creating brands. Relational traits, such as an inter-dependent self-concept and susceptibility to normative influence, drive bandwagon luxury consumption and promote an assimilation goal. Conversely, dissociative traits, such as an independent self-concept and need for uniqueness, drive snob luxury consumption and promote a contrast goal. As more people gain access to luxury, understanding the subtle individual differences that differentiate consumers is imperative. Such insights can inform the existing socio-economic analyses (leaders vs. followers, snobs vs. conformists) revolving around status. Table 1 summarizes these ideas that contribute to the literature by integrating several previously unconnected streams of research and by adding new elements. The ensuing analysis adds depth by shedding new light on the complexity of previous research.

4. Model development

A two-step iterative process served to identify the most relevant antecedents of conspicuous luxury consumption. First, a synthesis of the pertinent literature helped determine a set of antecedents to bandwagon and snob consumption. Second, in-depth interviews with

<table>
<thead>
<tr>
<th>Form of conspicuous luxury consumption</th>
<th>Goal</th>
<th>Utility source</th>
<th>Antecedent individual differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandwagon (majority of luxury consumers with “affluent lifestyle”)</td>
<td>(1) Association with the majority of luxury consumers; (2) Acquire status (membership status from being part of the “affluent lifestyle”)</td>
<td>Popularity (e.g., majority groups, celebrities, fashions, conformity); Status from assimilation</td>
<td>Inter-dependent self-concept, CSNI, SS, CNFU (negative)</td>
</tr>
<tr>
<td>Snob (majority of luxury consumers to establish uniqueness)</td>
<td>(1) Dissociation from the majority of luxury consumers to establish uniqueness; (2) Acquire status (dissociative status by being different from the majority of luxury consumers)</td>
<td>Uniqueness (e.g., supply scarcity, novelty, differentiation); Status from contrast</td>
<td>Independent self-concept, CNFU, SS, CSNI (negative)</td>
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</table>

Note: CSNI = consumer susceptibility to normative influence, CNFU = consumer need for uniqueness, SS = status seeking.
six senior marketing managers of luxury brands were conducted to (1) gain a spontaneous, freely elicited perspective on the bandwagon/snobbish luxury consumer and (2) provide practical insights into the antecedents identified. The findings enabled a further literature search for relevant concepts, while screening out others. The resultant model was presented to the interviewees for additional refinement. From this process, the consumer self-concept orientation, need for status, and two mediating traits (consumer susceptibility to normative influence [CSNI] and consumer need for uniqueness [CNFU]) emerged as most relevant to the conspicuous consumption of luxuries.

Fig. 1 illustrates the three-level model proposed: (1) self-concept and status seeking as the original antecedents, (2) CNFU and CSNI as mediators, and (3) snob and bandwagon luxury consumption as dependent variables. The (independent/interdependent) self-concept refers to a person's propensity to focus (or not) on social connections and act in relevant ways. The mediators filter and explain self-concept's influence on these behaviors. Finally, the outcome variables include the two conspicuous luxury consumption behaviors.

4.1. Level 1: the (independent/interdependent) self-concept

Wong and Ahuvia (1998) distinguish between personally and socially oriented luxury consumers and trace the origins of these orientations to one's self-concept as either independent or inter-dependent (Markus & Kitayama, 1991)–a general individual difference (Aaker, 1999; Oyserman, 2001) particularly relevant in understanding snob and bandwagon luxury consumption because it centers on people's propensity to focus (or not) on social connections. Specifically, some people tend to focus on their internal domain and self-related goals, emphasizing their unique personal traits and attributes and deemphasizing other people (independent self); dissociation from others, non-conformity, and expression of personal taste take precedence over relational motives. In contrast, others focus on the interpersonal domain and the opinions or reactions of others, concerned about how their external persona appears to society (inter-dependent self); they emphasize association with similar others and conformity to in-groups or aspirational groups. Thus, consumers with an independent self demonstrate a personal orientation in luxury consumption, focusing on self-expressive goals. Conversely, consumers with an inter-dependent self care more about the social function of luxury consumption (Ackerman & Chung, 2012).

4.2. Level 2: the narrower traits

This study's preliminary tests identified several narrower personality traits linked to the self-concept that mediate the self-concept–consumption relationship. These traits act as the focal mechanisms that reduce self-concept's influence to the two forms of conspicuous luxury consumption. Actually, each of the two self-concept orientations has its collection of subordinate, peripheral traits that can be classified as individualistically or collectivistically oriented (Hornsey & Jetten, 2004). The independent self emphasizes freedom of expression (Dutta-Bergman & Wells, 2002) and uniqueness (Markus & Kitayama, 1991) and thus is related positively to the individualist trait of CNFU. Conversely, the inter-dependent self emphasizes social relationships (Dutta-Bergman & Wells, 2002), self-other affiliation, and social comparisons (Markus & Kitayama, 1991) and thus is related positively to the socially oriented trait of CSNI. Status seeking is modeled as an...
exogenous variable, pertaining to all forms of luxury consumption, and not as a trait focal to the self.

4.3. Level 3: the outcome variables

4.3.1. Bandwagon consumption

Bandwagon consumption occurs when consumers buy certain categories of luxuries because of their popularity. Popularity serves as a heuristic (e.g., popularity = correctness, social approval) because the majority's numerical dominance conveys the correctness of its position and is difficult to ignore (Parker & Lehmann, 2011). Bandwagon behavior, with its macro-level origins in majority consumer groups, celebrations, and fashions (Amaldoss & Jain, 2008; Ko, Chun, Song, & Kim, 2013; Leibenstein, 1950; Vigneron & Johnson, 1999), centers on goods that carry social approval because these signify success, and membership in relevant status groups (Belk, 1988). The popularity of these status groups and the goods they consume serve as signals to the general public (Han et al., 2010) and trigger further demand for these luxuries. The behavior of other buyers is especially important in the case of bandwagon consumption because luxury value is reinforced and co-created from the complex interactions between the various social groups, including customers and brand communities (Tynan, McKechnie, & Chhuon, 2010). In the proposed model, the inter-dependent self-concept and CSNI capture the influence of others' behavior on bandwagon consumers (Table 1). Inter-dependent and norm-obedient consumers observe the luxury consumption by the majority and jump on the bandwagon.

4.3.2. Snob consumption

In sharp contrast, snob consumption occurs when certain consumers cease buying a luxury good when many other people begin owning it. Popularity destroys utility for this group, and demand declines. Such relative scarcity serves as a heuristic (e.g., scarcity = demonstration of uniqueness, assertion of independence) that reinforces a luxury good's desirability to this segment (Parker & Lehmann, 2011). Snobish behavior (Amaldoss & Jain, 2008; Leibenstein, 1950) favors a luxury's natural, production, or supply-born scarcity—that is, products that are uncommon, new, exclusive, or not well-known and thus not adopted by the majority—or connoisseurship requirements beyond the tastes of the general public (Berger & Ward, 2010). The behavior of other luxury consumers is important in the context of snob consumption because others destroy luxury value by increasing a good's consumption; conversely, value is enhanced when the majority does not prefer the good. In the present model, the anti-conformist nature of the antecedent traits (i.e., the independent self-concept and CNFU) captures the importance of others' behavior for snobs (Table 1). Although snobs also care about status, they express this preference alongside a preference for non-conformity to dissociate themselves from the mainstream.

5. Hypotheses

The framework in Fig. 1 depicts the hypothesized links among the key constructs. To avoid redundancies, the focus is on mediating traits and centers the hypotheses on their relationships to the self (antecedent) and the two consumption behaviors (consequences).

5.1. Status seeking

Many consumers of luxury goods are status seekers (Han et al., 2010). Although luxury consumption comprises two variant behaviors rooted in different antecedents, status seeking is the common denominator. According to Eastman, Goldsmith, and Flynn (1999, p. 42), status seeking defines people who “strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others.” Luxuries confer status (Han et al., 2010), and thus consumers acquire, own, use, and display them both to present an image of what they are like or want to be like (Sirgy, 1985) and to bring about the kinds of social relationships they desire. Status seekers—“people who are continually straining to surround themselves with visible evidence of the superior rank they are claiming” (Packard, 1959, p. 5)—use luxuries to support such rank claims (Grossman & Shapiro, 1988).

With the proliferation of luxuries, however, the ability of heterogeneous luxury brands to confer status and the amount or audience of that status changes. Although status drives luxury consumption, bandwagon consumers have different status needs than snobs. For bandwagoners, the good’s popularity delivers status, through association with or membership in the right status groups (Lascu & Zinkhan, 1999). Brands that are not popular with or unknown to the general, aspirational public cannot function as effective associative signals of affluent lifestyles (neither as dissociative signals with less affluent lifestyles). Conversely, well-known and popular luxuries satisfy the majority’s appetite to identify with the rich. Thus, for bandwagoners, explicit signals of recognition (Berger & Ward, 2010), such as popular luxury goods, confer status of being associated with the right status groups (and dissociated from non-status groups).

H1a. Status seeking relates positively to the propensity to engage in bandwagon consumption of luxury products.

Conversely, snobs have different target audiences and qualitatively different needs for status because of their independent self. The more people use a good to claim status, the less status that particular good confers to snobs. Because uniqueness, non-conformity, and scarcity matter the most to snobs, popular goods become undesirable and are viewed as destroying status value. In contrast with the bandwagon mass, snobs prefer new, exclusive, uncommon, or less-known, unpopular luxuries. These goods deliver status to snobs through dissociation and by reestablishing the positional nature of status in the form of scarce and unique choices appreciated by similar like-minded significant others.

H1b. Status seeking relates positively to the propensity to engage in snob consumption of luxury products.

5.2. CSNI

This study posits that CSNI is attributable to an inter-dependent self-concept and reinforces bandwagon luxury consumption. CSNI reflects “the need to identify or enhance one’s image with significant others through the acquisition and use of products and brands, [and] the willingness to conform to the expectations of others regarding purchase decisions” (Bearden, Netemeyer, & Teel, 1989, p. 474). Normative influences are particularly important for symbolic products such as luxuries, especially for public consumption (Bearden & Etzel, 1982). Consumers with greater-than-average susceptibility to norms are prone to using luxury brands that make a good impression because of value-expressive and utilitarian normative influence (Park & Lessig, 1977). Conforming to norms enhances their inter-dependent self in two ways: value-expressive influence operates through their desire to enhance their inter-dependent self-image by associating with their aspirational reference groups; utilitarian influence operates by complying with expectations of significant others to achieve rewards or avoid punishments. Consumption of popular luxuries satisfies these two routes (Lascu & Zinkhan, 1999) because they are recognizable by the majority, serving as explicit signals of association with the wealthy (Han et al., 2010). The self is extended (Belk, 1988) to include these symbolic markers of group membership, and thus the (inter-dependent) self is enhanced through relational bandwagon luxury consumption; CSNI mediates this process. In addition, CSNI inhibits people
from consuming the types of luxuries that are less popular, scarce, or not recognizable (i.e., snob luxury consumption).

H2a. The inter-dependent self-concept relates positively to CSNI.

H2b. CSNI relates positively to the propensity to engage in bandwagon luxury consumption.

H2c. CSNI relates negatively to the propensity to engage in snob luxury consumption.

5.3. CNFU

This study suggests that CNFU is attributable to an independent self-concept and reinforces consumption of less popular luxuries. CNFU represents “the trait of pursuing differentness relative to others through the acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one’s self-image and social image” (Tian, Bearden, & Hunter, 2001, p. 52). CNFU has three dimensions: (1) creative choice counter-conformity (CCC)—consumers seek social differentness but still make selections that others consider good choices; (2) unpopular choice counter-conformity (UCC)—the consumption of products and brands that deviate from group norms and may risk social disapproval; and (3) avoidance of similarity (AOS)—consumers lose interest in or discontinue use of possessions that become commonplace to reestablish differentness. Consumers seek distinctive luxury products to dissociate themselves from the herd and enhance their (independent) self-concept through dissociation from majority groups (Leibenstein, 1950). Their independent self-concept discourages the relational type of bandwagon luxury consumption while encouraging the consumption of less popular, new, or unknown luxury brands to establish their differentness; CNFU mediates and reinforces this process. In addition, CNFU inhibits people from consuming popular luxuries (bandwagon luxury consumption) because these cannot fulfill the desired non-conformist signaling role.

H3a. The independent self-concept relates positively to CNFU.

H3b. CNFU (all three facets) relates positively to the propensity to engage in snob luxury consumption.

H3c. CNFU (all three facets) relates negatively to the propensity to engage in bandwagon luxury consumption.

5.4. CSNI and status

Status seeking has a direct relationship to CSNI. Status is a complex construct whose sources of value can be traced to several personally and socially meaningful elements, including recognition and esteem from like-minded groups (Mason, 1984). Research acknowledges the relationship between status and susceptibility to norms; Phillips and Zuckerman (2001) demonstrate that status seeking leads to increased conformity to norms for actors who feel status-insecure and aspire to secure their position in high-valued groups. Thus, susceptibility to normative influence is partly rooted in a status attainment goal from status-prone consumers. To gain status, they must demonstrate conformity to the norms defining membership in their target group:

H4. Status seeking relates positively to CSNI.

6. Method

6.1. Design and procedure

A drop-and-collect survey was used to collect data from a probability sample of 431 actual consumers of luxury goods in London. A multi-stage cluster sampling design with respondents from areas representing average and higher-than-average income areas was used. Respondents were qualified by screening questions that ensured that they were consumers of luxuries. Of the respondents, 47.3% were men and 53.7% women, ranging from 18 to 82 years (M = 36.5), mostly university educated with yearly income from £41,000 to £60,000.

 Respondents completed the questionnaire starting from the dependent variables that appeared before the trait sections in the survey. Specifically, they rated how likely they were to purchase/use these products, assuming that money is no object. In line with prior research (Dubois & Paternault, 1995), this assumption intended to create a free-choice environment based on individual variable effects only by eliminating possible financial bias. Then, respondents completed the trait sections and demographic/control measures.

Drop-and-collect surveys produce response rates up to 90% (Lovlock, Stiff, Cullwick, & Kaufman, 1976). 625 questionnaires were distributed at various days of the week to obtain a broad representation. On week- days, distribution occurred in the evening to reduce non-response error (when most people are home), and on weekends, distribution took place during the entire day. In total, 431 usable surveys were returned (69% response).

6.2. Measures

Self-concept orientation was measured with Singelis’s (1994) scale (example items include “I am comfortable with being singled out for praise or rewards” and “If someone who is close to me fails, I feel responsible”), status seeking with Eastman et al.’s (1999) status consumption scale (“I would buy a product just because it has status”), CSNI with Bearden et al.’s (1989) scale (“I rarely buy the latest fashion until I am sure my friends approve of them”), and CNFU with Ruvio, Shoham, and Brenic (2008) (“I dislike products or brands that are customarily bought by everyone”). CNFU was modeled as three factors (CCC, UCC, and AOS) to better capture how each dimension contributes to the results.

Because no measures exist for snob/bandwagon consumption, a scale was developed for the purpose of the study, with concrete descriptions of popular/scarcе luxury products (contingent on the behavior of other luxury consumers). Following (1) theoretical considerations on snob and bandwagon consumption (Amaldoss & Jain, 2008; Corneo & Jeanne, 1997; Leibenstein, 1950; Vigneron & Johnson, 1999) and (2) discussions with expert judges (senior managers with lengthy experience in various luxury industries), a scale with indicators describing scarce/unpopular watches was developed for the snob effect, and one with indicators describing popular watches was created for the bandwagon effect (descriptions of luxury watches were used following established research practices—De Mooij & Hofstede, 2002; Hudders & Pandelaere, 2011—and experts’ advice). Specifically, according to extant literature and calibration by experts, the criteria for inclusion of the products in the scale were various factors related to both the supply and demand side (i.e., limited supply/production or limited consumer preference for the snob effect, such as a luxury watch “that only a few people own,” “is of limited production,” or “is recognized by a small circle of people”; higher production volume or larger/widespread consumer preference for the bandwagon effect, such as “very popular and fashionable luxury watch,” “worn by many celebrities,” and “chosen by most people”).

An extensive pretesting procedure was followed: three marketing academics and six managers of luxuries qualitatively evaluated the initial pool of items. Several focus groups and interviews further refined the scales, using behavior coding and cognitive pretesting. Finally, the questionnaire was pilot-tested on a convenience sample of 103 respondents.
6.3. Measurement model assessment

A two-step approach was used to analyze the data. Table 2 provides descriptive statistics and correlations of the constructs used. First, standard steps of psychometric assessment were followed to validate the measurement model. After careful inspection of item content for domain representation, items with item-to-total correlations below .40 were removed from further analyses. Second, a series of confirmatory analyses were conducted. Fit statistics indicated good overall model fit for all scales. The factor loadings were highly significant, and Cronbach’s alphas and composite reliabilities were above .70 (> .80 for the majority), in support of internal consistency and convergent validity. Variance extracted exceeded the .50 threshold. Table 3 reports the results of a confirmatory factor analysis.

During the questionnaire construction and pretesting stage, procedures that reduce common method variance (CMV) were followed (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Furthermore, Harman’s single-factor test was used to test for CMV, as Podsakoff et al. (2003) suggest. In a conducted exploratory factor analyses, 11 factors with eigenvalues greater than 1 emerged, with the larger one accounting for as low as 20% of the variance in the data. The test suggests the lack of CMV bias in the data.

7. Results

The results (Table 4) show that the model fits the data well: $\chi^2(611) = 1216.283, p = .000; \chi^2/df = 1.991; CFI = .927; IFI = .927; TLI = .920; PRATIO = .917; RMSEA = .051$. The model has good explanatory power, accounting for 58% and 66% of the variance in snob and bandwagon consumption behavior, respectively, as indicated by their $R^2$.

The results support all but one hypothesis (H3c), which was partially suggested (surprisingly, CCC has a positive and significant relationship to bandwagon behavior). Optimal distinctiveness theory (Brewer, 1991) suggests that CCC, albeit in principle resulting in counter-conformist behavior, may be compatible with this (seemingly opposite) type of consumption because the aim of bandwagon luxury consumption is social approval, which CCC also favors. This can be contrasted with the mainstream manifestation of CNFU (AOS), where the goal is to be completely counter-conformist by avoiding similarity.

8. Discussion

Public, conspicuous luxury consumption is a phenomenon of both immense managerial relevance and theoretical importance. Existing approaches treat this consumption as homogeneous behavior and focus on the status antecedent or build mathematical models of aggregate demand. However, luxury is neither consumed in the same way by everyone nor completely understood at the macro level. In addition, macro outcomes such as snob or bandwagon consumption also depend on micro-level individual consumer characteristics. Consequently, when trying to understand collective outcomes, research must consider the underlying individual-level personality factors that drive them.

8.1. Theoretical implications

This study is important to theory in several ways. First, the study examines how people consume luxury conspicuously and explains that it is not a homogeneous type of consumption. The study further explicates the nature of two forms of conspicuous luxury consumption behaviors—snob and bandwagon—and uncovers their psychological antecedents. This study is the first to empirically examine snob and bandwagon consumption from a real luxury consumer perspective. Prior research in economics (Amaldoss & Jain, 2008; Corneo & Jeanne, 1997) advances mathematical models that examine, at the aggregate level, the conditions under which such behaviors occur. However, none of the available studies focus on individual consumers and their proclivity toward these forms of conspicuous consumption. Rather, existing studies treat luxury consumption restrictively as the outcome of people’s search for status (Berger & Ward, 2010; Han et al., 2010; Nelisens & Meijers, 2011; Rucker & Galinsky, 2008). This research complements these studies by showing that luxury consumption should not be treated uni-dimensionally, but rather disaggregated to snob and bandwagon consumption patterns. In addition to satisfying the core goal for status, luxury consumption serves to satisfy assimilation/contrast goals that are not entirely status driven or to complement in different ways the search for status. Thus, the study makes a conceptual contribution to the evolving literature on luxury and signaling by jointly testing two ostensibly antithetical facets of conspicuous luxury consumption with their shared antecedents, shedding more light on the dual face of conspicuous luxury consumption.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s $\alpha$</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent self</td>
<td>.77</td>
<td>.77</td>
<td>.56</td>
</tr>
<tr>
<td>Inter-dependent self</td>
<td>.71</td>
<td>.70</td>
<td>.49</td>
</tr>
<tr>
<td>Status seeking</td>
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<td>.67</td>
</tr>
<tr>
<td>AOS (avoidance of similarity)</td>
<td>.94</td>
<td>.94</td>
<td>.80</td>
</tr>
<tr>
<td>CCC (creative choice counter-conformity)</td>
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<td>UCC (unpopular choice counter-conformity)</td>
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<td>CSNI (consumer susceptibility to normative influence)</td>
<td>.90</td>
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Note: AOS = avoidance of similarity; UCC = unpopular choice counter-conformity; CCC = creative choice counter-conformity; CSNI = consumer susceptibility to normative influence.

Table 3

Descriptive statistics and correlation matrix.

<table>
<thead>
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<th>Construct</th>
<th>Mean</th>
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<td>2. Inter-dependent self</td>
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<td>3. Status seeking</td>
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<td>6. CCC</td>
<td>4.09</td>
<td>1.47</td>
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<td>7. CSNI</td>
<td>2.65</td>
<td>1.34</td>
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<td>8. Snob effect</td>
<td>3.86</td>
<td>1.53</td>
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<td>9. Bandwagon effect</td>
<td>3.01</td>
<td>1.54</td>
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Note: AOS = avoidance of similarity, UCC = unpopular choice counter-conformity, CCC = creative choice counter-conformity, CSNI = consumer susceptibility to normative influence.

* $p < .05$.

** $p < .01$. 
Lifestyle or (2) dissociation from this majority. Managers must recognize and incorporate into contemporary segmentation structures the multiple antecedent individual variables of divergent target groups. Although status is a common requirement, different consumers depart from this base to opposite directions to achieve (1) assimilation to the majority consuming the popular luxury lifestyle or (2) dissociation from this majority.

8.2. Managerial implications

These findings also have important implications for practitioners in several strategic (Choi, 2010) and tactical aspects of luxury marketing. Overall, they provide insights into consumers’ tendencies that lead to distinct variants of luxury consumption behavior. The direct and indirect links from personality traits to snob and bandwagon luxury consumption suggest that marketers should include these variables in current segmentation structures, communications, pricing, and retail space design; and in more strategic aspects such as company policies, training schemes, and CRM.

Luxury consumers are not a homogeneous, status-driven group. Managers must recognize and incorporate into contemporary segmentation structures the multiple antecedent individual variables of divergent target groups. Although status is a common requirement, different consumers depart from this base to opposite directions to achieve (1) assimilation to the majority consuming the popular luxury lifestyle or (2) dissociation from this majority.

Bandwagon-prone consumers want approval; their utility is driven by the actions of similar majority aspirationalists. Since, in addition to status, the original antecedent trait is relational, reinforced by CNFI and CCC, managers targeting bandwagoners should focus on enhancing (1) status derived from popularity; (2) the normative function; and (3) approved counter-conformity. In contrast, snob-driven consumers seek dissociative value. Their utility is also consumer related, in that they avoid acting like the majority. Because, in addition to status, the original antecedent trait is dissociative, reinforced by CNFU, managers targeting snobs should focus on enhancing (1) status derived from uniqueness, and (2) uniqueness-signaling, dissociative, or even norm-breaking functions.

These different traits and resulting value perceptions are influential on important customer outcomes; consequently, managers must distinguish and better serve each of the major segments by carefully choosing those points of contact with customers that are best suited for discriminating between the two groups. First, retailers must develop training schemes aiding frontline employees in recognizing core relational or individualist traits and managing subsequent interactions with each type of customers. Second, managers should categorize their luxury products in popularity ranges and accordingly adjust elements of the marketing mix. Bandwagon demand requires different store locations, design, advertising, and types of consumers inhabiting a retail location than snob demand. Communication for the latter must be below the line, such as by WOM rather than by mass media; products should be promoted through pull-type exclusive, small-circle events. In a bricks-and-mortar retailing setting, products could be hidden, requiring that customers ask for them. In contrast, for bandwagon luxury demand, retailers can use overt displays or encourage customers to shop with friends to increase the normative and relational effect (Hiller Connell & Kozar, 2012). In online environments, including social networks (Chu, Kamal, & Kim, 2013; Park, Song, & Ko, 2011), retailers could classify their merchandise along with popularity-level dimensions (e.g., best-selling, highly rated) or other normative-enhancing techniques.

Finally, the development of databases and CRM structures to record, track, and assess customer purchasing patterns would allow managers to analyze and match the type of demand to specific customer segments. Behavioral variants such as snob and bandwagon patterns can form the basis for new, sophisticated segmentation schemes and can feed into product design, marketing procedures, and redesigned servicing and channel systems.

8.3. Limitations and further research

This study is the first to advance and test a model on the individual-level antecedents of two distinct forms of conspicuous luxury consumption and may be bound by limitations. Since it was conducted in a European context, research could replicate the study in extreme individualist or collectivist cultures to test whether cultural forces moderate the identified relationships. Also, the study focused on principal linkages but these factors may not constitute an exhaustive list. Research could identify additional traits and variants of the two effects and extend understanding of the dynamics between the new factors. Further research could also examine the interplay of individual differences with external factors to understand whether and how such factors influence the relationships identified herein. Despite these limitations, this study advances marketing knowledge and contributes to practice by extending contemporary understanding of snob and bandwagon effects from a consumer perspective, thus, offering a novel perspective in conceptualizing luxury consumption.

References
